

FISCAL NOTE

Bill #: HB0014

Title: Long-range building general obligation bonds

Primary

Sponsor: Royal Johnson

Status: As introduced with amendments recommended by Long-Range Planning Joint Appropriations Subcommittee

Sponsor:	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
General Fund	\$143,000	\$1,949,000
Federal Special Revenue	0	17,210
Revenue:	0	0
Net Impact on General Fund Balance:	(\$143,000)	(\$1,949,000)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
X		Significant Local Gov. Impact		X	Technical Concerns
X		Included in the Executive Budget	X		Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

- HB 14 will authorize general obligation bonds for the projects listed below that are projected to be issued on the following schedule:

<u>Project</u>	<u>FY2000</u>	<u>FY2001</u>	<u>2001 BIENNIUM</u>	<u>FY2002-3</u>	<u>TOTAL BONDS</u>
State Capitol Renovation, Helena	0	3,898,750	3,898,750	0	3,898,750
Expand Women's Prison, Billings	180,000	2,720,000	2,900,000	0	2,900,000
Complete Pine Hills School, Miles City	45,000	2,180,000	2,225,000	0	2,225,000
Construct Reception Unit, Deer Lodge	0	360,000	360,000	190,000	550,000

Fiscal Note Request, HB0014, 1st reading with LRP Subcommittee Amendments

Page 2 of 2

(continued)

Project	FY2000	FY2001	2001 BIENNIUM	FY2002-3	TOTAL BONDS
Emergency Operations Center, Helena	220,000	3,280,000	3,500,000	0	3,500,000
Renovate Renne Library, MSU-Bozeman	675,000	800,000	1,475,000	6,025,000	7,500,000
Rural Technology Education Center, UM-Dillon	260,000	3,910,000	4,170,000	0	4,170,000
Job Service Supplemental, Havre	0	210,000	210,000	0	210,000
Construct Armory, Kalispell	0	114,000	114,000	1,686,000	1,800,000
Construct Armory, Bozeman	0	135,000	135,000	2,065,000	2,200,000
MSP Security & Wallace Expansion, Deer Lodge	210,000	2,790,000	3,000,000	0	3,000,000
Lab & Classroom Renovations, UM-all Campuses	150,000	1,850,000	2,000,000	0	2,000,000
TOTALS	\$1,740,000	\$22,247,750	\$23,987,750	\$9,966,000	\$33,953,750

2. The debt service 20-year plan calculated at 5.25% for projects authorized in HB 14 would be as follows:

Debt Service Plan: Long-Range Building Program

(General Fund in millions)

Fiscal Year	General Fund Current Fiscal Year Total	HB14 New LRBP Debt	Projected Fiscal Year Total
1999	13.552	0.000	13.552
2000	13.811	0.143	13.954
2001	13.601	1.949	15.550
2002	13.642	2.766	16.408
2003	13.065	2.766	15.831
2004	11.751	2.766	14.517
2005	10.715	.776	11.491
2006	11.490	2.766	14.256
2007	11.429	2.766	14.195
2008	11.359	2.766	14.125
2009	7.268	2.766	10.034
2010	6.881	2.766	9.647
2011	6.855	2.766	9.621
2012	6.855	2.766	9.621
2013	6.858	2.766	9.624
2014	5.203	2.766	7.969
2015	5.057	2.766	7.823
2016	3.574	2.766	6.340
2017	3.582	2.766	6.348
2018	3.323	2.766	6.089
2019	0.543	2.766	3.309
2020	0	2.623	2.623
2021	0	0.817	0.817
Totals	180.414	53.330	233.744

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3. The Executive Budget included \$35,025,000 of state-funded projects and new HB 14 general fund debt service of \$472,000 in FY 2000 and \$1,490,000 in FY 2001. The amended HB 14 would include \$33,743,750 of state-funded projects and the revised building/construction schedule would result in general fund adjustments to the budget as savings of \$329,000 in FY 2000 and cost of \$459,000 (including \$319,511 for the capitol renovation project) in FY2001.
4. The Executive Budget included \$6 million general fund for the State Capitol that is replaced with \$3,898,750 in G.O. bonding in HB14. The net general fund savings on the State Capitol is \$3,000,000 for FY 2000 and \$2,680,489 for FY 2001. However, because the capitol renovation was budgeted in HB 5 rather than HB 14, these savings are not shown in this fiscal note.
5. The Job Service supplemental for the office in Havre will be funded with federal special revenue. The debt service will be \$17,210 per year beginning in FY 2001.
6. The Kalispell and Bozeman armories will be sold at the appraised value of \$190,000 and \$1,800,000 respectively. In FY 2005, the proceeds of the sale will be used to pay the G. O. debt service on the bonds issued for construction of the new armories.
7. The fiscal impact shown below was included in the Executive Budget.

FISCAL IMPACT:

Dept of Administration

	FY2000	FY2001
<u>Expenditures:</u>	<u>Difference</u>	<u>Difference</u>
Debt Service	\$143,000	\$1,966,210
 <u>Funding:</u>		
General Fund (01)	\$143,000	\$1,949,000
Federal Special Revenue (03)	<u>0</u>	<u>17,210</u>
TOTAL	\$143,000	\$1,966,210
 <u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	(\$143,000)	(\$1,949,000)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Jobs and income will result from the construction projects.

LONG-RANGE IMPACTS:

When the increases and decreases are calculated, projected future operations and maintenance costs that will be the responsibility of the state general fund will be about \$169,537 in FY 2002, \$170,147 in FY 2003, \$173,537 in FY 2004, and \$173,824 in FY 2005.